Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

SUGAR REPORTS

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

WASHINGTON, D.C. JULY 1971 NO. 230

CONTENTS

		PAGE
1.	MARKET REVIEW	2 - 5
2.	DEVELOPMENT IN REFINED SUGAR PRICING	6 - 23
3.	ADMINISTRATIVE ACTIONS	24
4.	STATISTICAL SERIES	25 - 35
	(a) Highlights	25
	(b) Supply and Disposition Summary January-May 1971	26
	(c) Disposition and Stocks	
	January-May 1971 and 1970	27
	To end June 1971 and 1970	27
	(d) Mainland Production and Quota Charges	
	January-May 1971 and 1970	28
	(e) Refiners and Importers Receipts by Source of Supply	
	January-May 1971 and 1970	29
	(f) Status of Quota and Balance	
	As of June 30, 1971	30
	(g) Deliveries by States	
	May 1970	31
	January-May 1971 and 1970	32 - 33
5.	RECEIPTS OF RAW AND DIRECT-CONSUMPTION SUGAR BY PORTS OF ENTRY AND AREAS OF ORIGIN 1970 (REVISED)	34 - 35

MARKET REVIEW

On July 1, 1971 the International Longshoremens' and Warehousemens' Union (I.L.W.U.) called a strike which closed down all of the United States west coast ports, except Hawaii and Alaska. The only cane sugar refinery on the West Coast has indicated that if the strike continues refinery operations (melt) will cease on August 2, since supplies of raw sugar will then have been exhausted. The refinery has sufficient refined sugar to service customers into September.

I.L.W.U. officials are currently conducting talks with the International Longshoremens' Association (I.L.A.) which has jurisdiction over all ports from Maine to Texas to explore the possibility of reaffiliation of the two Unions which split in 1937. The I.L.A. contract with East Coast and Gulf ports expires on Sept. 30, 1971.

On July 16, 1971 the United Transportation Union (U.T.U.) struck two of the Nation's railroads and on July 24 two more rail lines were struck. With the closing down of the latter two rail lines, not only will the movement of refined sugar be curtailed but several of the sugarbeet processing plants in California which rely on rail transportation to move the sugarbeets to the mills, will be obliged to close down since other means of transportation are not available in sufficent quantity. The UTU has indicated that if the strike continues, work stoppage will be spread to six more lines on July 30 and to five additional lines on Aug. 6.

The Crop Reporting Board of the Department of Agriculture based on July 1, 1971 conditions, estimated that growers planted 1,400,500 acres of sugarbeets for harvest in 1971--five percent less than in 1970 with only Ohio, Nebraska, Wyoming, Washington and California planting more acreage than last year. Production of sugarbeets in 1971, based on average yields, allowing for trend, would total 24.6 million tons, six percent less than the 26.2 million tons produced in 1970. The crop was making good progress in most areas, although dry soils in Michigan resulted in poor germination and some thin stands. Planting was delayed by wet soils in Nebraska and sugarbeets in Utah were making good progress after a late wet spring. Spring planted beets in California and Arizona were in good condition while harvesting of fall planted beets was in full swing with good yields reported. Water for irrigation was reported as adequate for all irrigated beet areas.

Acreage for harvest for mainland production of sugarcane for sugar and seed in 1971 was estimated by the Board at 535,000 acres, about 15 percent more than was harvested in 1970. Growers in Hawaii were estimated to have 121,300 acres for harvest in 1971, up 2 percent from 1970.Growth of the crop in Louisiana was behind normal due to lack of moisture, but stands were generally good. In Florida, there had been some abandonment as a result of a February freeze in the area south and southwest of Lake Okeechobee, but in areas that escaped the freeze the condition was good. The crop in Hawaii had moved about on schedule, except when spotty heavy rain and strong wind caused some harvest delay.

Production of cane sugar in Hawaii through July 15, 1971 totaled 628,264 tons, 96° basis. Production in 1970 through July 11, totaled 652,069 tons.

In Puerto Rico, the production of cane sugar through July 11,1971, totaled 309,002 tons, 96° basis, compared with 454,943 tons produced through July 12 of last year. The yield of sugar per ton of cane in 1971 has averaged 7.053 percent, or somewhat below the average of 7.734 percent for the comparable period of 1970. Total 1971 crop production is not expected to exceed 315,000 tons.

Preliminary reports of raw and refined sugar stocks held by all primary distributors on July 3, 1971 totaled 2,243,000 short tons, raw value. This was 281,000 tons less than at the end of May and 139,000 tons more than on June 30, a year ago. Beet processors' stocks of 1,136,000 tons were about 200,000 tons less than a month earlier but 60,000 tons more than at the end of June 1970.Cane sugar refiners'stocks of raw and refined sugar were reported as 861,000 tons on July 3, down 21,000 tons from the end of May but up 51,000 tons from the end of June last year.

Preliminary reports of sugar sales by all primary distributors for consumption in the Continental United States continue to compare well with last year, when record quantities were distributed. Through July 17 reported distribution of 5,792,000 short tons, raw value, compared with 5,900,000 tons during the same period of last year. Inclusion of constructive deliveries 1/ of 161,000 tons at year-end 1970 and 40,000 tons at year-end 1969 in the year of actual delivery would indicate physical deliveries in 1971 of 5,953,000 tons, compared with 5,940,000 tons physically delivered through the same date last year. Deliveries of 4,151,000 tons by cane sugar refiners in 1971 are about 132,000 tons ahead of their deliveries through the comparable date of last year while physical deliveries of beet sugar are running about 103,000 tons behind those of last year.

1/ Sugar sold before year's end but physically delivered in the first two months of the following year.

Reported deliveries of refined sugar by states of destination during January-May 1971 were 3.5 percent below those of the comparable period of 1970. Decreases occurred in all of the five regions with the West down most--9.2 percent followed by the North Central region which was down 4.8 percent, the mid-Atlantic 2.6 percent,the Northeast 2.4 percent and the South down 0.1 percent. Individually, 16 states received more sugar in the 1971 period, 34 received less. Only two of the states, Ohio and Florida had reported increases of more than 100,000 hundredweight in the 1971 period as compared with 1970 and there were nine states to which reported deliveries in 1971 were down more than 100,000 hundredweight. Illinois and California with 1,106,000 and 757,000 hundredweight less respectively, had the largest declines which reflect constructive Deliveries made at year-end 1970.

Following the June 7 announcements of increases in the quoted prices for refined sugar sold at wholesale in all of the geographic regions, except the Intermountain Northwest and Pacific Coast regions, several interested sellers rescinded their announced increases for the Chicago-west region. On a day-to-day basis, orders are being accepted for industrial products in that region at 11.60 cents per pound for the basis pack--100--pound paper bags. No other announcements of price changes applicable to the basis pack were noted in any of the regions during the period under review.

As of July 26, the following were the quotations for refined sugar sold at wholesale in the basis pack and in bulk by regions. Significant variations of actual prices from the quoted prices may be found in certain regions reflecting competitive conditions.

	PRICE QUOTATION IN CENTS PER POUND	
	Hundredweights cane or beet	Bulk dry cane or beet
Northeast	12.60/12.70	12.40
Southeast	12.20	12.00
Gulf	11.70/11.90	11.45/11.70
Chicago-west	11.60	11.45
Intermountain Northwest	11.35	11.10
Pacific Coast	11.40	11.25

The U.S. average retail price for refined sugar sold in 5-pound paper bags during June 1971 was 13.60 cents per pound compared with 13.54 cents in May and 12.92 cents in June of last year.

The spot price for raw sugar, duty paid and delivered to New York, as reported on the New York Coffee and Sugar Exchange averaged 8.54 cents per pound during June, up from 8.46 cents during May and 8.22 cents during June a year ago. During the first six months of 1971 the spot price averaged 8.41 cents per pound, up 4.6 percent from the average of 8.04 cents per pound during the first six months of 1970. The spot quotation fluctuated narrowly during June from 8.47 cents per pound on June 1 to 8.57 cents for the period June 11-23, after which it declined to 8.53 cents per pound. The quotation of 8.53 cents carried through to July 9 when a slightly stronger trend began, increasing to 8.58 cents during July 21-26. On July 27, the quotation increased .07 cent per pound to 8.65 cents and for the period July 1-28 averaged 8.57 cents per pound compared with 8.16 cents during the same period last year.

The spot quotation for World bulk sugar f.o.b. and stowed at Greater Caribbean ports, including Brazil (No. 11 Contract of the New York Coffee and Sugar Exchange) averaged 4.14 cents per pound during June, down from 4.35 cents in May but up from 3.82 cents during June of last year. During the first half of 1971 the World price averaged 4.56 cents per pound up 30 percent from the 3.50 cent average for the first six months of 1970.

The price quotation followed a slightly stronger line in late June, rising from 4.15 cents on June 22 to 4.28 cents at month-end. On July 1 the price weakened to 4.23 cents and to 4.20 cents on July 2 and then recovered to 4.25 cents on July 6. The quotation reached a low of 4.12 cents per pound on July 20 but by July 21 had recovered to 4.17 cents. On July 28 the quotation was 4.27 cents per pound and for the period July 1-28 averaged 4.19 cents per pound compared with 3.88 cents during the same period last year. On July 28 futures contracts for September 1971 delivery of World sugar were quoted at 4.37 cents per pound and for October 1972 delivery at 4.55 cents.

The Foreign Agricultural Service of the Department in July 1971, estimated World centrifugal sugar production for the 1970-71 crop at 78.4 million short tons, raw value, a decline of about one percent from the record production in 1969-70. Sugar production in the Western Hemisphere during 1970-71 was down about four percent from the previous year due to a 30 percent decline in Cuban production. However, most other hemisphere countries had increased sugar output, with a record crop in Brazil and a near record crop in Mexico. In Western and Eastern Europe, production was smaller but the U.S.S.R. had an increase of about three percent in 1970-71. Sugar production in Asia and Oceania increased in 1970-71 with the Philippines and Australia increasing 10 and 13 percent, respectively. African sugar production was down slightly in 1970-71 due mainly to a 14 percent decline in South African production as the result of drought.

DEVELOPMENTS IN REFINED SUGAR PRICING

BY
William N. Garrott

SUMMARY AND CONCLUSIONS

Refined sugar as marketed in large volume in the United States is a standardized commodity of great uniformity of quality regardless of who refines it.Except for the value attached to a seller's ability to supply adequate quantities when they are needed and other service considerations, no volume buyer in a given market will purchase the product of one refiner at a price even a few cents per hundred pounds above that of a competitor.

Basing point system

The seller most advantageously located and usually with the largest share of the market tends to make the price in a given area by basing his delivered price to a buyer on his optimum f.o.b. price profitwise, plus the cost of transporting the sugar to the buyer. Other sellers must meet this delivered price regardless of location if they are to compete. The location of the principal seller in a given market then becomes the basing point for determining the freight charged for delivery of the sugar to buyers.

Development of basing point system

The basing point system of marketing sugar developed because large refineries found it economical to locate their production facilities at ports of entry in, or adjacent to, densely populated areas. This gave them easy access to off-shore raw cane sugar from which the bulk of the refined sugar sold in the U.S. is manufactured. Because they became the principal sellers of sugar in each of the regions in which they were located, these cane sugar refineries established the basing points for sugar sales in the U.S.

Pattern of sugar distribution

The traditional pattern of relatively large supplies of sugar from a variety of sources contending for the market in Chicago continues and has been accentuated since 1956. In 1956, 9.7 percent of the total reported sugar distribution in the U.S. was sold in Illinois; in 1958, it was 9.9 percent and in 1970, 12.1 percent. The increase in Illinois percentage of sugar sales since 1956 has undoubtedly been accentuated by increases in basic sugar quotas granted to the mainland cane and domestic sugar producing areas by the 1962 and 1965 Amendments to the Sugar Act of 1948.

Development of distribution pattern

Large sellers of sugar tend to market the bulk of their production within their basing point area because this is where they maximize their advantage with respect to other sellers. Most of their remaining product is moved into the Chicago area, a major distribution center of the U. S. for processed foods, many of which contain sugar. In addition to its capacity for utilizing large quantities of sugar, various freight carriers, because of the availability of backhaul business, have been able to establish attractive freight rates between Chicago and other large population centers, and this has led to a highly competitive market.

Freight rates and prepays

The freight rate is the amount paid by the shipper for transporting sugar from the point of origin to the buyer's destination. The prepay, which is based on, but may not be the same as the freight rate is the amount the buyer is billed by the seller for transporting the sugar.

Freight rates, prepays and sugar prices

The study indicates that the most significant development in refined sugar pricing from 1956 to 1970 occurred in Chicago.

From 1956 to 1958 the basis price for refined cane sugar sold in Chicago was up 5.4 percent and for refined beet sugar 5.6 percent; the net delivered price for cane sugar was up 4.7 percent and for beet sugar 4.9 percent; the f.o.b. factory price for sugar shipped from San Francisco to Chicago increased 4.9 percent for cane sugar and 5.1 percent for beet sugar; and for cane sugar shipped from New Orleans the increase was 4.5 percent. During the same period the rail freight rates to Chicago from San Francisco increased 3.5 percent and from New Orleans 6.0 percent. In the 1958 period the prepay applicable to sugar shipped to Chicago was 4.7 percent below that of 1956.

From 1958 to 1970, the basis price for refined sugar sold in Chicago increased 30.9 percent for cane sugar and 33.9 percent for beet sugar; the net delivered price for cane sugar was up 32.0 percent and for beet sugar 34.7 percent; the f.o.b. factory price for sugar shipped from San Francisco to Chicago was up 35.8 percent for cane sugar and 39.1 percent for beet sugar; and for cane sugar shipped from New Orleans to Chicago the increase was 35.5 percent. During this period the rail freight rates on sugar shipped to Chicago from San Francisco increased 5.9 percent compared with a decrease of 1.1 percent for sugar shipped from New Orleans. Yet in 1970 the prepay applicable to sugar shipped to Chicago was 47.5 percent higher than during the 1958 period.

In 1958, Jan. 1 initial stocks of beet sugar amounted to 53.8 percent of the final adjusted beet sugar quota for that year. On Jan. 1, 1970 beet sugar initial stocks had declined to 39.3 percent of the 1970 quota. This, combined with the fact that production in four of the five most recent years has not equaled their available marketing quotas indicates that beet sugar processors had less sugar available for sale in the Chicago area.

Beet sugar processors have been the chief competitors of the New Orleans cane sugar refiners for the market in the Chicago area and the high ratio of beet sugar initial stocks to marketing quotas in 1958 was undoubtedly an important consideration in the decision to reduce the freight prepays on sugar shipped to Chicago in that year.

Likewise, the indications of reduced stocks of beet sugar were an important consideration in prepay increase on sugar shipped to Chicago in 1970.

Prepays and freight rate absorptions

The study indicates that shippers at basing points adjusted the prepays applicable to sugar to meet competitive conditions existing in the several destinations. For example, the prepays to Chicago, Toledo and Pittsburgh in 1958 were less than in 1956, even though the actual rail freight rates from all of the origins to these destinations had increased. This indicates that sellers absorbed not only the increase in freight rates that occurred between 1956 and 1958, but also the amount by which the prepays were reduced. On the other hand, the prepays to Buffalo and Rochester were increased more than the freight rates between any of the origins and those cities, indicating the amount of the freight rate increase, plus the extent by which the increase in prepays exceeded the freight rate increases, was passed to the buyer.

Prepays and competitive relationships

Changes in the competitive relationship in the Chicago market between beet and cane sugar are also indicated by a reduction in the prepay applicable to sugar in 1958, as compared with 1956, even though the freight rates from all of the origins (including the basing point) to Chicago had increased.This meant that sellers in New Orleans were absorbing an additional amount of the rail freight rate on sugar shipments to Chicago in 1958, but it also meant that freight absorbed by shippers at other origins also increased.

From 1958 to 1970, the competitive relationship in Chicago between beet and cane sugar had altered and the prepay for sugar shipped to Chicago was increased 29 cents per hundredweight. This was substantially more than the increase in freight rates on sugar from all of the origins to Chicago between the two years and had the effect of shifting 29 cents per hundredweight of

the freight charges from sellers to buyers. The net increase in the f.o.b. refinery price for sugar shipped from New Orleans or New York to Chicago increased more than for that shipped from other origins because the freight rates from New Orleans and New York were less in 1970 than in 1958.

Throughout the period of the study, sellers in New Orleans also had the alternative of shipping sugar to Chicago by barge at rates that were substantially below those for rail transportation.

Beet sugar production and stocks

Calendar year production of beet sugar has totaled less than their available marketing quotas in four of the five most recent years,resulting in substantial reductions in the stocks of beet sugar. If 1971 U.S.distribution should equal that of 1970, it is also unlikely that beet sugar production in 1971 will equal their marketings. This would result in a further reduction in beet sugar stocks.

Western beet sugar processors in past years have aggressively contended for the sugar market in Chicago. With more restricted supplies they would have less sugar to ship to this market and the gap would be filled by the refiners of cane sugar.

In contrast, cane sugar refineries at the basing points, including New Orleans, could readily supply additional quantities of cane sugar,as needed, in the Chicago area by simply increasing their purchases of off-shore raws. This, combined with the reduced stocks of beet sugar, could have been the most important consideration in establishing the higher prepays for shipments of sugar to Chicago in 1970.

DEVELOPMENTS IN REFINED SUGAR PRICING

INTRODUCTION

In an article published in Sugar Reports No. 55, November 1956, a a comparison was made of prices for refined sugar delivered to five selected destinations and the resulting returns, f.o.b. at a few selected factory locations. The comparisons were developed from quoted prices, taking into account allowances, freight "prepays" from basing points and actual freight rates (current at the time). The article included maps showing the basing point freight zones for sugar from the different seaboard refinery points and the pricing territories used for determining wholesale price quotations applicable.

The article was updated two years later in Sugar Reports No. 81,January 1959. After a lapse of 12 additional years it is of interest to review the

material and present up-to-date data for sugar delivered to the same cities and the resulting f.o.b. prices at the same points of origin.

Basing point system

In a country as large as the United States many standardized commodities which are marketed in large volume, e.g., refined sugar, because of competition, tend to sell at comparable delivered prices in the same market. Sugar is a product of great uniformity of quality, no matter where it is refined and is packed by all refiners in various grades, grains and packages. Except for the value attached to a seller's ability to supply adequate quantities when they are needed, no volume buyer in a given market will purchase the product of one refiner at a price of even a few cents per hundred pounds above the price of a competitor. Usually, the seller most advantageously located and with the largest share of the market tends to make the price in a given area.

It follows, therefore, that the seller with the largest share of the market will base his delivered price on his optimum f.o.b. price profitwise, plus the cost of transporting the sugar to the destination of the buyer. Other sellers must meet this price regardless of location. Sellers then base their freight charges on the cost of transporting the sugar from the primary seller's location to the buyer. The location of the principal seller in the region then becomes the "basing point" for sugar sales in the region.

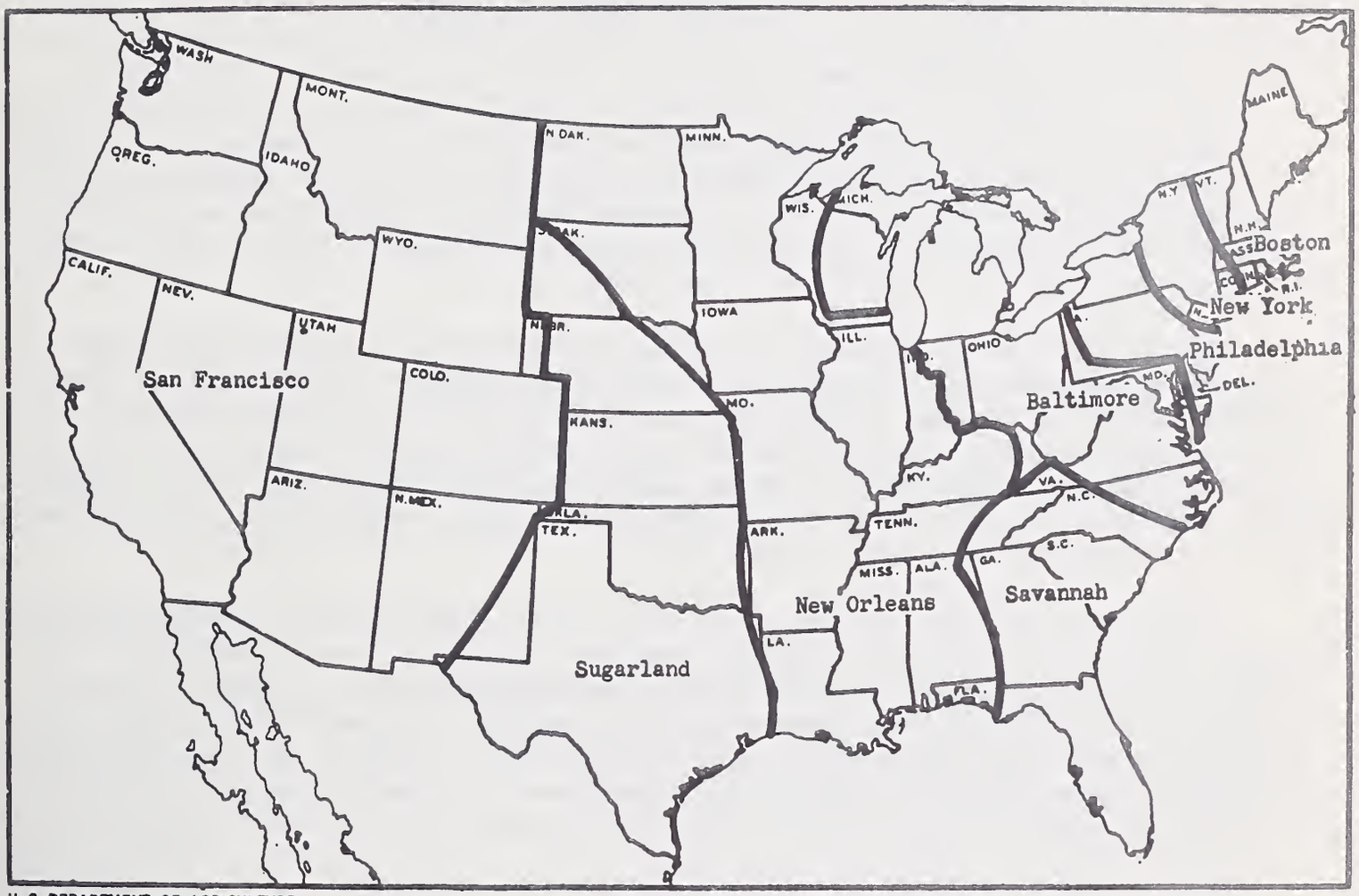
Origin of basing points

The basing point system of marketing sugar developed because large refineries found it economical to locate their production facilities at ports of entry in or adjacent to densely populated areas. This gave them easy access to off-shore raw cane sugar from which the bulk of the refined sugar marketed in the United States is manufactured. It also enabled them to maximize their volume of sales and minimize their costs of transporting sugar to buyers, since in a country as large as the United States,the cost of transporting sugar is an important factor to be considered in arriving at delivered prices. Because they are the principal sellers of sugar in each of the areas in which they are located, the cane sugar refineries located at important ports of entry established the basing points for sugar sales in the United States.

Location of basing points

Figure 1 outlines generally, the basing point areas in the United STates. The outlines are general because economic circumstances, as well as freight costs, often affect a refinery's decision as to the area they can profitably service.

BASING POINT ZONES FOR SUGAR 1/



U. S. DEPARTMENT OF AGRICULTURE

1/ Zones are approximate and subject to continuing change. City names indicate production centers.

FIGURE 1

There are four basing points located in the Northeast and mid-Atlantic regions.They are Boston, New York, Philadelphia and Baltimore where large refineries are located. Where cross-shipments of sugar between these four areas occurs the freight charge is that of the seller located nearest the buyer in terms of freight rates.

Savannah is the basing point for the Southeast, New Orleans for the Gulf and Chicago-west regions, Sugarland,Texas for the Southwest and San Francisco for the Pacific Coast and the Northwest Intermountain states. These are the locations of one or more large refineries which are the principal suppliers of sugar for these areas.

The Intermountain Northwest region, where a majority of the beet sugar processors are located, represents a marketing situation that is the reverse of that of the cane sugar refineries which establish the basing points. Their production of beet sugar is widely scattered over a region that is sparsely populated and much of their sugar must be marketed in areas where they must compete with the sales of cane sugar refineries that are more advantageously located freightwise.

Sales of beet sugar processors within the Intermountain Northwest region are based on freight prepays from San Francisco, the location of the nearest large cane sugar refinery. This enables them to realize freight earnings on local sales where they have a freight advantage. Such freight earnings are of importance since most of the beet sugar processors' production is marketed in areas where they have to absorb freight costs in order to compete with sellers located less distant from the buyers.

Sugar marketing pattern

Large sellers of sugar market the bulk of their production within their basing point areas because this is where they maximize their advantage with respect to other sellers. That portion of their product which cannot be economically marketed within the basing point region is moved into the Chicago area which is a major distribution center of the U. S. for many manufactured products. It is also the location of many industrial type users that are customers for large quantities of sugar such as manufacturers of bakery products, confectioners, canners and the like, who have located in the area because of the accessibility of the raw materials which are the ingredients of their manufactured products. Since the region is the distribution center for a large number of manufactured products, various freight carriers, because of the availability of backhaul business, have been able to establish attractive rail rates between Chicago and other large population centers. This has led to a highly competitive market.

Price Quotation Regions

Prices for refined sugar sold at wholesale in the U.S. are quoted for seven geographical regions. Figure 2 shows the general boundaries of these regions as they were in December 1958 while figure 3 shows them as they were constituted in late 1970. Most of the regions in 1970 included about the same areas as during the earlier study, except that Nevada east of Las Vegas and Reno and Utah are now included in the Intermountain Northwest region instead of in the Pacific Coast region as in the earlier study.

The limits of the geographical pricing regions appeared more definite in 1970 in that there was less evidence of allowances or discounts for deliveries of sugar within certain parts of a region than there was in 1958 and 1956. Also, the practice of pricing 100-pound bags of beet sugar at differentials below similarly packed cane sugar, as in 1956 and 1958, was not followed at the time of the 1970 study.

Pricing patterns

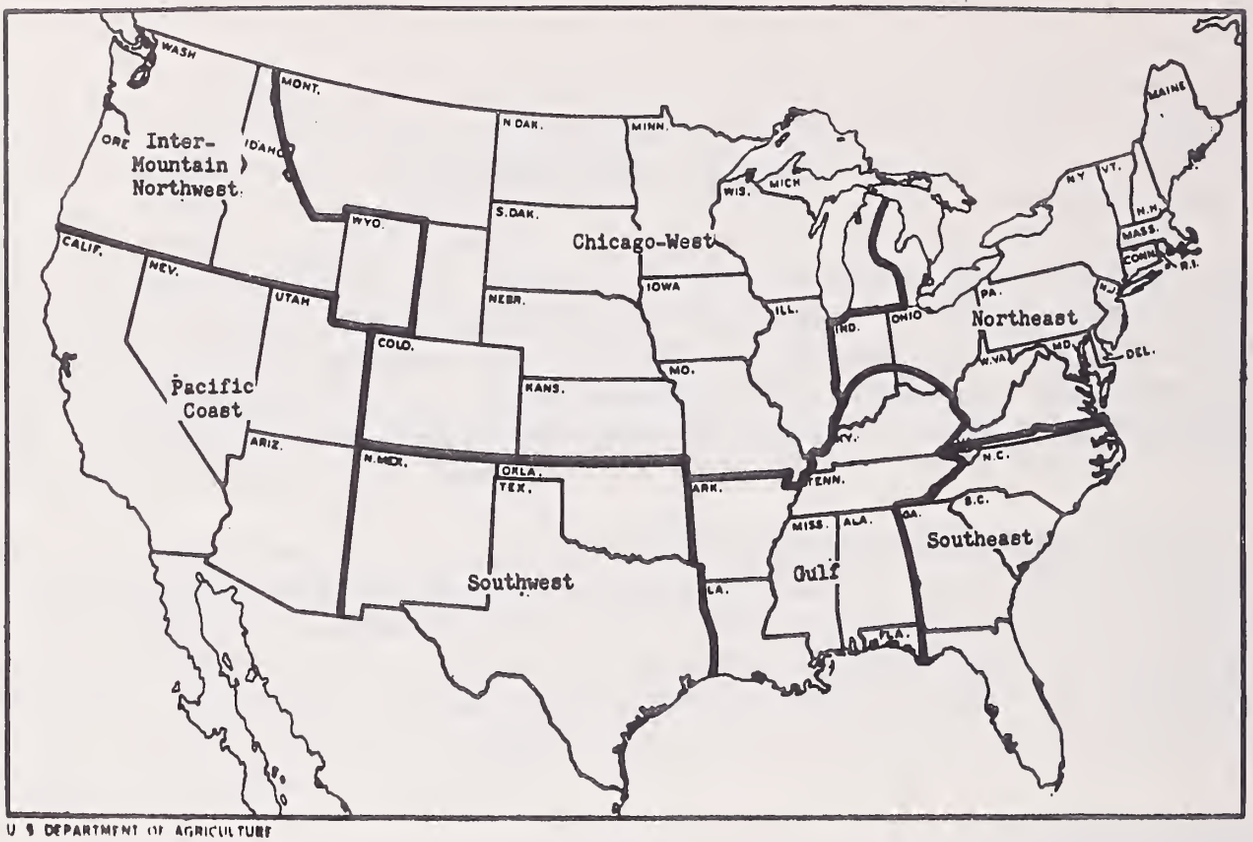
The changes in pricing patterns are associated with the continued availability of relatively large supplies of sugar from a variety of sources contending for the market in the Chicago area. This, of course, is the traditional pattern reflecting the tendency of sellers to stabilize deliveries in the territories providing the most favorable returns. The 1962 and 1965 amendments to the Sugar Act of 1948, which in those years increased the basic quotas of the domestic cane and beet sugar producing areas have accentuated this pattern.

The Northeast area, which is served by sugar refineries at Boston, New York, Philadelphia and Baltimore, marketed about a third of the total sugar distributed in the U.S. in 1970. These refineries obtain virtually all of their raw sugar from off-shore areas and when their supplies begin to exceed their needs they can adjust their buying. On the other hand, most 1970 quota sugar in the mainland cane and beet sugar producing areas had been produced by year-end 1969 and moved to market before 1971 quota sugar was produced. As a result, those quantities that could not be marketed in territories providing the most favorable returns were moved into the Chicago area.

Freight Rates and Prepays

A comparison of the actual freight rates and prepays for shipping sugar during selected periods of 1956, 1958 and 1970 from five points of origin to five selected cities of destination is shown in Table 1. Rail freight rates and prepays for shipping sugar from New York to the five cities of destination are not available for the 1956 period.

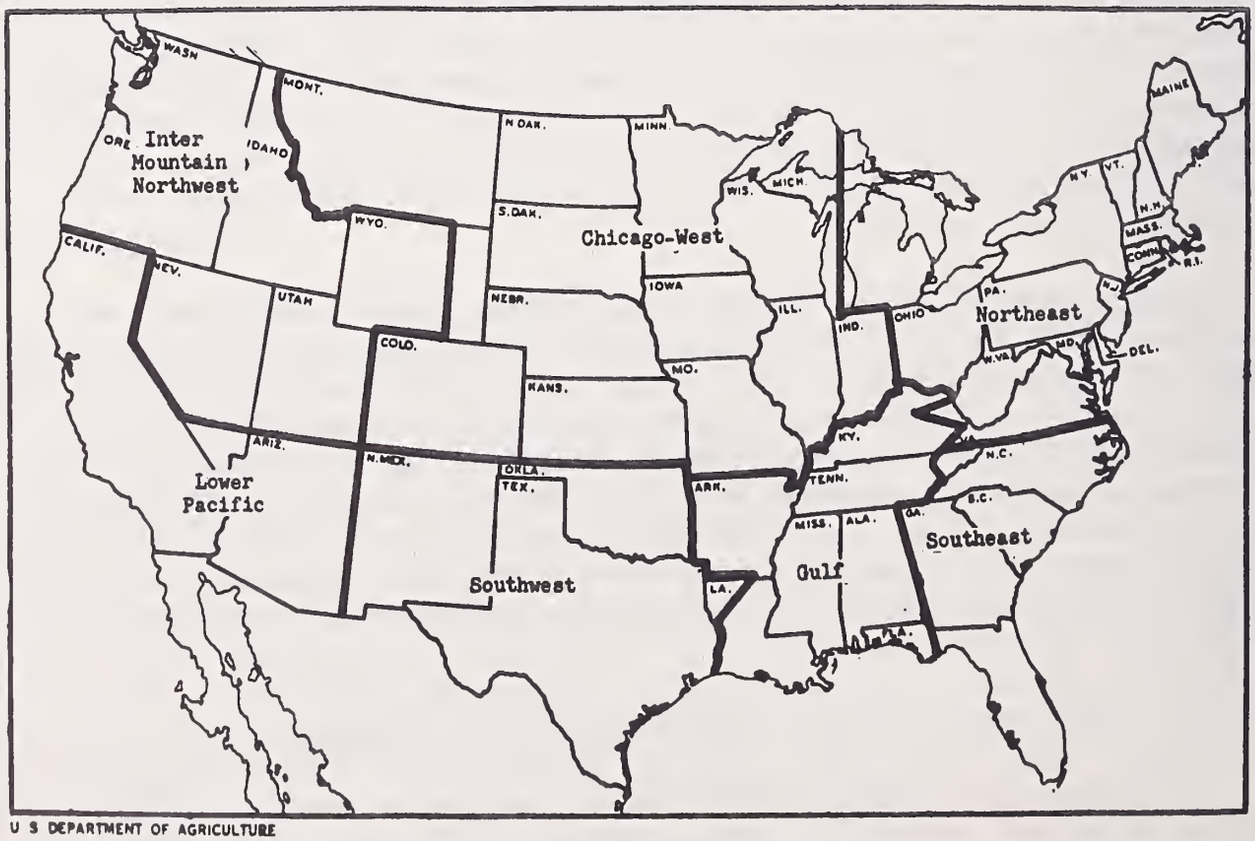
WHOLESALE SUGAR PRICE QUOTATION REGIONS
as of December 1958



U S DEPARTMENT OF AGRICULTURE

FIGURE 2

WHOLESALE SUGAR PRICE QUOTATION REGIONS
as of November 1970



U S DEPARTMENT OF AGRICULTURE

FIGURE 3

Table 1.-Comparison of actual freight rates for shipping refined sugar from selected points of origin to selected destinations, Nov.1-13, 1956, Dec. 2, 1958 and Nov. 21, 1970

Origin	Destinations				
	Chicago	Toledo	Pittsburgh	Buffalo	Rochester
	Dollars per 100-pound bag				
San Francisco, California					
1956	1.14	1.43	1.53	1.54	1.57
1958	1.18	1.46	1.56	1.57	1.59
1970	1.25	1.58	1.78	1.84	2.03
Greeley,Colorado					
1956	.85	1.14	1.24	1.25	1.51
1958	.90	1.18	1.27	1.28	1.54
1970	.91	1.23	1.45	1.64	1.68
Twin Falls, Idaho					
1956	.96	1.25	1.34	1.35	1.57
1958	1.00	1.28	1.37	1.35	1.59
1970	1.03	1.36	1.57	1.76	1.80
New Orleans,Louisiana					
1956(rail)	.83	.97	1.18	1.18	1.22
(barge)	.38	-	-	-	-
1958 (rail)	.88	1.01	1.22	1.22	1.25
(barge)	.38	-	.51	-	-
1970(rail)	.87	1.01	.98	1.19	1.57
(barge)	.38	-	.48	-	-
New York,New York					
1956	n.a.	n.a.	n.a.	n.a.	n.a.
1958	.94	.82	.49	.52	.52
1970	.92	.78	.46	.53	.46
Freight billings or "prepays" by cities of destination					
	dollars per 100-pound bag				
1956	.64	.72	.39	.42	.45
1958	.61	.70	.38	.50	.50
1970	.90	.77	.44	.49	.44

n.a. Not available

Freight rates

The 1958 rail freight rates applicable to 100-pound bags of sugar shipped from San Francisco, California; Greeley, Colorado; New Orleans, Louisiana; and Twin Falls, Idaho were higher than in 1956 to all five of the destinations except for shipments from Twin Falls to Buffalo,New York, where the rate was the same.

For the 1970 period, the rates from the three western points of origin to all destinations were higher than in 1958 while the rates from New Orleans and New York City were lower,except from New York to Buffalo and from New Orleans to Toledo, Ohio and Rochester, New York.

Competition between railroads and the availability in Chicago of commodities which can be backhauled to East Coast and Gulf population centers, have resulted in some reductions, since 1958, in the rail freight rates applicable to sugar shipped from New York and New Orleans to Chicago. For these reasons, western shippers of sugar have found freight rates for destinations east of Chicago less attractive so that shipment to Chicago should have proven more profitable in 1958 and 1970 than to any of the other selected destinations except from Twin Falls to Buffalo in 1958. Also, the alternative of shipping sugar by barge at substantially lower rates from New Orleans to Chicago and Pittsburgh has had a dampening effect on competing rail rates.

Freight prepays

A comparison of the basing point freight rates, or prepays applicable to sugar shipments since 1956 also reveals some interesting developments. Prepays applicable to shipments of sugar to all destinations, except Rochester, were higher in 1970 than in 1956. For Rochester they were less. For sugar shipped from New Orleans to Chicago the prepays in 1956 and 1958 of 64 and 61 cents per hundredweight, respectively, were near the mid-point between the rates for rail and barge shipment in these years, but in 1970 the rail prepay had increased to 90 cents per hundredweight, or slightly more than the rail rate of 87 cents and the barge rate remained unchanged at 38 cents.

This increase in the prepay for shipments of sugar to Chicago between 1956 and 1970 far exceeded the increases in rail rates from any of the points of origin to this city. This increased the advantage of Chicago to shippers because while the actual rail rates from most origins increased, a larger increase in the prepay shifted more of the transportation costs to the buyer. Thus, even though the Chicago-west region differential on the basis price quotations, as compared with that of the Northeast, has grown more unfavorable between 1956 and 1970, this has been partially off-set by the increase in the prepay to Chicago.

Freight absorptions

Sugar freight absorptions by sellers are determined by the combination of applicable freight rates and prepays. The seller pays the freight charges when he ships the sugar and bills the buyer with a freight prepay which may, or may not be the same as the freight charge. The amount of freight absorbed by the seller is determined by deducting the prepay from the freight rate. If the freight prepay is the same as the freight rate, as is often the case where the seller is located at the basing point, the buyer pays all the freight costs and there is no freight absorption on the part of the seller If the prepay is less than the freight rate, as is generally the case where the seller is located at a point farther from the buyer than the basing point, the seller absorbs the difference.

Table 2 compares the freight absorptions by shippers of refined sugar from the five points of origin to five selected destinations during the periods of 1956, 1958 and 1970. The data indicate that shippers freight absorptions on sugar shipped to Buffalo and Rochester in 1958 declined, as compared to 1956, but increased to all of the other destinations.

In 1970, shippers at all origins should have absorbed less freight on sales in Chicago because the prepay increased more than the freight rates. Shippers' freight absorptions should have also been less for shipments from New Orleans and New York to Toledo and Pittsburgh, from New Orleans to Buffalo and from Greeley to Toledo.

The data indicate that by changing the freight prepay on sugar, sellers at basing points can raise or lower their freight absorptions and the delivered price to buyers without changing the quoted price.

Delivered and FOB prices

The delivered price for sugar at destination is made up of the basis price for the delivery area, less any applicable discount or allowance, plus the freight billing (prepay),minus the customary two percent discount for payment within 10 days after receipt of the sugar by the buyer. The delivered price to the buyer can be varied to meet competition in a given market or between markets, by changes in the basis price, the amount of allowance or discount or by changes in the freight prepay.

The f.o.b. price to the seller in any market is the net delivered price of the sugar to the buyer at destination, minus the freight rate paid by the seller to deliver the sugar. To the extent that the prepay charged to the buyer for delivery of the sugar is below the freight rate charged by the railroad to move the sugar, it reduces the price to the buyer and the f.o.b. return to the seller.

Table 2.-Comparison of freight rate absorptions by shippers of refined sugar from indicated points of origin to specified destinations, 1956, 1958 and 1970 1/

	1956	1958	1970
	Cents per hundredweight		
To Chicago, Ill. from			
San Francisco, Cal.	50	57	35
Greeley, Colo.	21	29	1
Twin Falls, Ida.	32	39	13
New Orleans, La.	19	27	-3
New York, N.Y.	n.a.	33	2
To Toledo, O. from			
San Francisco, Cal.	71	76	81
Greeley, Colo.	42	48	46
Twin Falls, Ida.	53	58	59
New Orleans, La.	25	31	24
New York, N.Y.	n.a.	12	1
To Pittsburgh, Pa. from			
San Francisco, Cal.	114	118	134
Greeley, Colo.	85	89	101
Twin Falls, Ida.	95	99	113
New Orleans, La.	79	84	54
New York, N.Y.	n.a.	11	2
To Buffalo, N.Y. from			
San Francisco, Cal.	112	107	135
Greeley, Colo.	83	78	115
Twin Falls, Ida.	93	85	127
New Orleans, La.	76	72	70
New York, N.Y.	n.a.	2	4
To Rochester, N.Y. from			
San Francisco, Cal.	112	109	159
Greeley, Colo.	106	104	124
Twin Falls, Ida.	112	109	136
New Orleans, La.	77	75	113
New York, N.Y.	n.a.	2	2

1/ Based on rail rates and prepays for periods November 1-13, 1956, December 2, 1958 and November 21, 1970

Table 3 compares the delivered prices for refined sugar at five cities of destination and the f.o.b. return to sellers at five origins during the three selected time periods of 1956, 1958 and 1970. Freight rates and prepays from New York to the selected destinations were not available for the 1956 period.

Net delivered prices

In the 1958 period, as compared with 1956, the net delivered price of refined cane sugar sold in Chicago increased $0.41 per hundredweight compared with increases at other destinations ranging from $0.37 per hundredweight in Toledo to $0.46 in Buffalo. Net delivered prices for sales of refined beet sugar in Chicago were $0.42 per hundredweight higher in 1958 compared with a decrease of $0.15 per hundredweight in Toledo and increases ranging from $0.25 in Pittsburgh to $0.34 in Buffalo.

In the 1970 period, as compared with 1958, the net delivered price of refined cane sugar sold in Chicago had increased $2.93 per hundredweight compared with increases of from $2.74 in Rochester to $2.86 in Toledo. Net delivered prices for refined beet sugar sold in Chicago had increased $3.12 per hundredweight in 1970 compared with increases of from $2.82 in Toledo to $3.15 in Pittsburgh.

FOB prices

In 1958, as compared with 1956, f.o.b. factory returns to shippers of refined cane sugar in San Francisco and New Orleans increased $0.43 and $0.42 per hundredweight, respectively, for sales in Buffalo compared with increases in the range of $0.33 to $0.42 per hundredweight for sales at other destinations. For refined beet sugar, f.o.b. factory returns for sales in Chicago in 1958 were up $0.38 per hundredweight if shipped from San Francisco and Twin Falls and up $0.37 if shipped from Greeley. Increases from sales at other destinations were in the range of from $0.25 for sales in Pittsburgh to $0.34 per hundred-weight for sales in Buffalo, while for sales in Toledo, shippers' returns would have been $0.15 or $0.16 per hundredweight less, depending upon the origin.

In the 1970 period, as compared with 1958, f.o.b. factory returns to shippers of refined beet sugar sold in Chicago were up $3.11 per hundredweight for shipments originating in Greeley compared with an increase of $3.09 for shipments from Twin Falls and $3.05 for those from San Francisco. Increases for sales at other destinations were in the range of $2.62 to $2.97 per hundredweight, depending upon shipping point and destination.

For refined cane sugar, in 1970 as compared with 1958, f.o.b. factory returns to shippers in New Orleans were up $3.09 per hundredweight for sales in Pittsburgh and increases at other destinations were in the range of $2.45 per hundredweight for sales in Rochester to $2.94 for sales in Chicago.Returns to shippers in San Francisco were up $2.85 per hundredweight for sugar sold in Chicago and increases at other destinations were in the range of $2.33 per hundredweight for sales in Rochester and $2.67 for sales in Toledo.

Table 3.-Net delivered price for refined sugar at specified cities and f.o.b. prices at points of origin

		Destinations									
		Chicago, Ill.		Toledo, O.		Pittsburgh, Pa.		Buffalo, N.Y.		Rochester, N.Y.	
		Cane	Beet	Cane	Beet	Cane	Beet	Cane	Beet	Cane	Beet
Delivered price		Dollars per hundredweight									
Basis price 1/	1956	8.70	8.50	8.95	8.75	8.95	8.75	8.95	8.75	8.95	8.75
	1958	8.85	8.65	9.35	8.65	9.35	9.05	9.35	9.05	9.35	9.05
	1970	11.45	11.45	12.20	11.45	12.20	12.20	12.20	12.20	12.20	12.20
Allowance	1956	.40	.40	-	-	-	-	-	-	-	-
	1958	.10	.10	-	-	-	-	-	-	-	-
	1970	-	-	-	-	-	-	-	-	-	-
Basis price minus Allowance	1956	8.30	8.10	8.95	8.75	8.95	8.75	8.95	8.75	8.95	8.75
	1958	8.75	8.55	9.35	8.65	9.35	9.05	9.35	9.05	9.35	9.05
	1970	11.45	11.45	12.20	11.45	12.20	12.20	12.20	12.20	12.20	12.20
Prepay	1956	.64		.72		.39		.42		.45	
	1958	.61		.70		.38		.50		.50	
	1970	.90		.77		.44		.49		.44	
Gross delivered price	1956	8.94	8.74	9.67	9.47	9.34	9.14	9.37	9.17	9.40	9.20
	1958	9.36	9.16	10.05	9.35	9.73	9.43	9.85	9.55	9.85	9.55
	1970	12.35	12.35	12.97	12.22	12.64	12.64	12.69	12.69	12.64	12.64
Net delivered price	1956	8.76	8.56	9.48	9.28	9.16	8.96	9.19	8.99	9.21	9.01
	1958	9.17	8.98	9.85	9.16	9.54	9.24	9.65	9.36	9.65	9.36
	1970	12.10	12.10	12.71	11.98	12.39	12.39	12.44	12.44	12.39	12.39
F.O.B. price (net delivered price minus actual freight rates shown in Table 1)											
Origins											
San Francisco	1956	7.62	7.42	8.05	7.85	7.63	7.43	7.65	7.45	7.64	7.44
	1958	7.99	7.80	8.39	7.70	7.98	7.68	8.08	7.79	8.06	7.77
	1970	10.85	10.85	11.06	10.33	10.61	10.61	10.66	10.66	10.39	10.39
Greeley Colorado	1956	-	7.71	-	8.14	-	7.72	-	7.74	-	7.50
	1958	-	8.08	-	7.98	-	7.97	-	8.08	-	7.82
	1970	-	11.19	-	10.68	-	10.94	-	10.86	-	10.74
Twin Falls Idaho	1956	-	7.60	-	8.03	-	7.62	-	7.64	-	7.44
	1958	-	7.98	-	7.88	-	7.87	-	8.01	-	7.77
	1970		11.07	-	10.55	-	10.82	-	10.74	-	10.62
New Orleans (rail)	1956	7.93	-	8.51	-	7.98	-	8.01	-	7.99	-
	1958	8.29	-	8.84	-	8.32	-	8.43	-	8.40	-
	1970	11.23	-	11.63	-	11.41	-	11.31	-	10.85	-
New Orleans (barge)	1956	8.37	-	-	-	-	-	-	-	-	-
	1958	8.79		-	-	9.03	-	-	-	-	-
	1970	11.72	-	-	-	11.91	-	-	-	-	-
New York	1956	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
	1958	8.23	-	9.03	-	9.05	-	9.13	-	9.13	-
	1970	11.18	-	11.86	-	11.93	-	11.97	-	11.96	-

1/ Basis price for Chicago is Chicago-west quotation, all other areas Northeast quotation, except for Toledo, beet price is Eastern beet quotation.

Quotations are as of Nov. 1-13, 1956, Dec. 2,1958 and Nov. 21, 1970

Importance of prices

Price alone, would not be the only consideration of shippers in selecting a market in which to sell their sugar. Sellers of commodities that move in large volume, such as sugar, traditionally service their regular customers first and sell additional quantities where they can obtain the best price. An advantage of a few cents per hundredweight in price at one destination, as compared with another, might not necessarily mean that large quantities of sugar could be shifted to the market without lowering the price. The higher return might be relatively temporary and lack of established contacts and other institutional factors would exert an influence on the seller. This is the advantage of the Chicago market, its ability to absorb large quantities of sugar without a sharp reduction in prices.

The increased advantage of the Chicago market to sellers of beet sugar in 1958 and in 1970, as compared with 1956, is reflected in the reports of refined sugar distribution by states for these years. In 1956, 44 percent of the refined sugar distributed in Illinois was beet sugar compared with 55 percent in 1958 and 65 percent during calendar year 1970.

The indicated advantage, or disadvantage to the shipper in making deliveries of beet sugar to destinations east of Chicago,based on calculations in 1956, 1958 and 1970 are shown in Table 4.

Competitive relationships

Prepays on shipments of refined sugar to Chicago were based on the rail rate from New Orleans while those to Toledo and Pittsburgh were based on the rates from Baltimore and to Buffalo and Rochester, on the rates from New York.

The 1970 data, when compared with 1958, indicate a competitive relationship in the Buffalo market where a reduction in the prepay on sugar was made in conjunction with an increase in the freight rate from New York. Shippers in New York, apparently deemed it advantageous competitively to reduce the prepay and absorb the increased freight rate. For shipments to Rochester, where the freight rate in 1970 was six cents per hundredweight less than in 1958, the prepay was also reduced six cents per hundredweight. This too was probably in response to competition from other origins.

For shipments to Chicago in 1970 the situation was the reverse of that of Buffalo. In this case, the rail rate from New Orleans (the basing Point) declined from 88 cents per hundredweight in 1958 to 87 cents in 1970. The prepay, on the other hand, was increased 29 cents from 61 cents to 90 cents per hundredweight.

Table 4. Price advantage or disadvantage (), over Chicago delivery for sugar movements between specified origins and destinations

Shipping point	Destination	Nov. 1-13, 1956	Dec. 2, 1958	Nov. 21, 1970
			cents per hundred pounds	
San Francisco (beet sugar)	Toledo	43	(10)	(52)
	Pittsburgh	1	(12)	(24)
	Buffalo	3	(1)	(19)
	Rochester	2	(3)	(46)
Greeley (beet sugar)	Toledo	43	(10)	(51)
	Pittsburgh	1	(11)	(25)
	Buffalo	4	3	(33)
	Rochester	(21)	(26)	(45)
Twin Falls (beet sugar)	Toledo	43	(10)	(52)
	Pittsburgh	2	(11)	(25)
	Buffalo	4	0	(33)
	Rochester	(16)	(21)	(45)
New Orleans[1/] (cane sugar)	Toledo	14	5	(9)
	Pittsburgh(rail)	(39)	(47)	(31)
	(barge)	26	24	19
	Buffalo	(36)	(36)	(41)
	Rochester	(38)	(39)	(87)

1/ Assumes barge rate to Chicago

The beet sugar processors have been one of the strongest competitors of the New Orleans refineries for the market in the Chicago area. The increase in the prepay improved the f.o.b. returns to shippers of beet sugar in this market and improved their competitive relationship with the New Orleans refineries. Apparently, the competitive situation in Chicago in 1970 was such that the New Orleans refineries did not feel it necessary to maintain a freight prepay on sugar substantially below the freight rate, as had been the case in 1958.

Price data

The basis prices used in this analysis are those quoted for fine granulated sugar in 100-pound paper bags. Traditionally differentials to be applied to such prices, or separate prices for 100-pound bags incorporating the differentials, have been quoted for other grades or types of sugar and for household and individual service packages. Bulk delivery of either liquid or dry sugar would be at a minus differential. Differentials change independently of basis prices but changes in the basis price ordinarily are reflected in all types and means of delivery.

ADMINISTRATIVE ACTIONS

Date announced	Nature of action
July 7, 1971	Announced that an informal public hearing will be held in San Francisco, Calif., to receive views and recommendations on the need for establishing proportionate shares (farm acreage allotments) for the 1972 crop of sugarbeets in the Domestic Beet Sugar Area. The hearing will be conducted in Room 13450, Federal Building, 450 Golden Gate Ave., beginning at 10:00 a.m. on Aug. 10, 1971. (See July 10, 1971 Federal Register).
July 8, 1971	Announced fair and reasonable rates for processing the 1971 crop of Hawaiian sugarcane. The determination establishes the maximum rate each processor-producer may charge under a tolling agreement for processing sugarcane grown by other producers. For the five C.Brewer and Company plantations and Laupahoehoe Sugar Company, the maximum processing rate is increased by four percentage points -- from 45 percent to 49 percent of the gross returns from raw sugar and molasses. The sugarcane delivery point for these factories is loaded in trucks in the field ready for transport to the mills. For Puna and Kohala Sugar Companies, where the cane delivery point is at the mill, the maximum processing rate is unchanged from the 1970 rate of 34 percent. (See July 13,1971 Federal Register).

STATISTICAL SERIES IN THIS ISSUE

HIGHLIGHTS

1. June 1971 sugar deliveries for continental U. S. consumption 1,064,000 short tons, raw value (preliminary), up about 181,000 tons from May 1971 and up 27,000 tons from June 1970. January-June 1971 deliveries 5,237,000 short tons, raw value, down 131,000 tons from January-June 1970. Final data for May 1971 deliveries 883,000 short tons, raw value-previously published preliminary as 906,000 tons.

2. Primary distributors' stocks July 3, 1971 were 2,243,000 short tons raw value (preliminary), up about 139,000 tons from a year ago but down 281,000 tons from May 31, 1971. During June refiners' stocks decreased 21,000 tons, beet processors' stocks decreased 199,000 tons, mainland cane processors' stocks decreased by 61,000 tons and importers of direct consumption sugar stocks remained about unchanged.

3. Charges to quotas January 1 to June 30, 1971 were 5,532,210 short tons, raw value, leaving a balance of 5,567,790 tons to be supplied within the 11,000,000 ton total.

4. Regionally, January-May deliveries, 1971 as compared to 1970 were down all of the 5 regions: decreases -- West 9.2 percent, North Central 4.8 percent, mid-Atlantic 2.6 percent, New England 2.4 percent and the South 0.1 percent.

Table 5.- Sugar supply and disposition by primary distributors, January-May 1971

(Short tons, raw value)

Item	Beet processors	Importers	Mainland cane processors 1/	Refiners: Raw	Refiners: Refined	Net total
	(1)	(2)	(3)	(4)	(5)	(6)
SUPPLY						
1. Inventory Jan. 1, 1971	1,354,917	3,903	375,870	803,791 2/	253,124 2/	2,791,605
2. Production and movement						
a. Received as direct-consumption sugar	0	52,473	0	0	3,155	55,628
b. Produced from beets or cane	1,060,289	0	391,224	0	0)	
Less deliveries to refiners	0	0	446,487	0	0)	1,005,026 3/
c. Receipts of raws by refiners	0	0	0	2,938,887 4/	0)	
Less raws melted	0	0	0	3,227,714	0)	-288,827 5/
d. Refined from raws melted	0	0	0	0	3,197,236	3,197,236
e. Adjustments	-839	0	-117	+78	-10,033	-10,911
f. Sub-total	1,059,450	52,473	-55,380	-288,749	3,190,358	3,958,152
3. Net total supply	2,414,367	56,376	320,490	515,042	3,443,482	6,749,757
DISPOSITION						
4. Distribution for						
a. Quota purposes	1,079,750	36,864	29,617	4,326	3,022,492	4,173,049
b. Export	0	0	0	0	37,045	37,045
c. Livestock feed	0	3,509	0	265	9,260	13,034
d. Alcohol	0	0	0	0	2,601	2,601
e. Sub-total	1,079,750	40,373	29,617	4,591	3,071,398	4,225,729
5. Inventory May 31, 1971	1,334,617	16,003	290,873	510,451 6/	372,084 6/	2,524,028
6. Total distribution and inventory	2,414,367	56,376	320,490	515,042	3,443,482	6,749,757

1/ Establishments that acquire no raw sugar from others for refining. Processor-refiners are included with refiners.

2/ Includes mainland cane sugar not charged to quota: Raws, 137,566; Refined, 15,015; Total, 152,581.

3/ Production less deliveries of raw sugar to refiners.

4/ Includes 446,487 tons received from mainland cane processors.

5/ Receipts of raw sugar by refiners less melt.

6/ Refiners' inventories include mainland cane sugar not charged to quota: Raws, 19,372; Refined, 7,679; Total, 27,051.

Table 6.-Distribution of sugar by primary distributors, January-May 1971 and 1970

Item	1971	1970	Change 1970 to 1971
	Short tons, raw value		
Continental United States			
Refiners' raw	4,591	10,567	-5,976
Refiners' refined	3,071,398	3,053,814	+17,584
Sub-total	3,075,989	3,064,381	+11,608
Beet processors' refined	1,079,750	1,252,028	-172,278
Importers' direct consumption	40,373	52,654	-12,281
Mainland sugarcane processors'	29,617	22,933	+ 6,684
Total	4,225,729	4,391,996	-166,267
For: Export	37,045	23,827	+13,218
Livestock feed	13,034	28,616	-15,582
Alcohol	2,601	8,030	-5,429
Continental consumption 1/	4,173,049	4,331,523	-158,474
Puerto Rico	50,000 2/	50,750	-750
Hawaii	13,000 2/	13,117	-117

1/ Includes deliveries for United States military forces at home and abroad.
2/ Estimated

Table 7.- Stocks of sugar held by primary distributors in the continental United States, May 31, 1971 and 1970

Item	1971	1970	Change 1970 to 1971
	Short tons, raw value		
Refiners' raw	510,451	471,079	+39,372
Refiners' refined	372,084	331,557	+40,527
Sub-total 1/	882,535	802,636	+79,899
Beet processors' refined	1,334,617	1,337,719	-3,102
Importers' direct consumption	16,003	14,213	+1,790
Mainland sugarcane processors'	290,873	269,229	+21,644
Total	2,524,028	2,423,797	+100,231

1/ Included mainland cane sugar not charged to quota: 1971 - Raws, 19,372; Refined, 7,679; Total, 27,051; 1970 - Raws, 19,356; Refined, 6,452; Total, 25,808

Table 8.-Distribution of sugar by primary distributors in the continental United States, June and Jan.-June, 1971 and 1970

Item	1971 1/		1970	
	June	Jan.-June	June	Jan.-June
	Short tons, raw value			
Refiners	740,146	3,816,135	693,407	3,757,788
Beet processors' refined	303,001	1,382,751	335,322	1,587,350
Importers' direct consumption	16,883	57,256	16,075	68,729
Mainland sugarcane processors'	4,000 2/	33,617	4,609	27,542
Total	1,064,030	5,289,759	1,049,413	5,441,409
For: Export	n.a.	37,045	8,050	31,877
Livestock feed	n.a.	13,034	2,499	31,115
Alcohol 3/	n.a.	2,601	1,978	10,008
Continental consumption	1,064,030	5,237,079	1,036,886	5,368,409

1/ Preliminary 2/Estimated 3/ Includes deliveries for U.S. military forces at home and abroad

Table 9.- Stocks of sugar held by primary distributors in the continental United States, July 3, 1971 and June 30, 1970

Item	1971 1/	1970	Change 1970 to 1971
	Short tons, raw value		
Refiners' raw	501,180	557,623	-56,443
Refiners' refined	359,934	252,584	+107,350
Sub-total	861,114	810,207	+50,907
Beet processors' refined	1,135,859	1,075,723	+60,136
Importers' direct consumption	15,600	15,893	-293
Mainland sugarcane processors'	230,000 2/	201,634	+28,366
Total	2,242,573	2,103,457	+139,116

1/ Preliminary 2// Estimated

Table 10- Mainland sugar: Production and quota charges January-May 1971 and 1970

Item	1971	1970	Change 1970 to 1971
	Short tons, raw value		
Production			
Mainland cane	389,935	337,533	+52,402
Domestic beet	1,059,450	1,176,512	-117,062
Total	1,449,385	1,514,045	-64,660
Quota charges			
Mainland cane:			
Louisiana sugarcane processors			
For further processing	225,521	279,511	-53,990
For direct-consumption	2,540	6,300	-3,760
Louisiana processor-refiners	60,262	70,293	-10,031
Florida sugarcane processors	312,140	321,994	-9,854
Total	600,463	678,098	-77,635
Beet processors	1,079,750	1,252,028	-172,278
Total	1,680,213	1,930,126	-249,913

Table 11.- Receipts of quota-exempt and over-quota sugar included in Table 12

Purpose	Refiners		Importers		Total	
	1971	1970	1971	1970	1971	1970
	Short tons, raw value					
For export						
Argentina		1,759				1,759
Brazil	5,251	12,887		120	5,251	13,007
Dominican Republic	42,020	3,661			42,020	3,661
Guatemala		5,890				5,890
Hawaii		676				676
Honduras		3,160				3,160
Puerto Rico	154	128			154	128
Total	47,425	28,161		120	47,425	28,281
For livestock feed						
Brazil	3,506	9,634			3,506	9,634
Dominican Republic	4,233				4,233	
South Africa		16,539				16,539
United Kingdom			5,264		5,264	
Total	7,739	26,173	5,264		13,003	26,173
For alcohol						
Brazil	11,641				11,641	
Dominican Republic	2,894				2,894	
Total	14,535				14,535	
Held pending availability of quota						
Guatemala	222				222	
Nicaragua	219				219	
Total	441				441	
In Customs' custody						
Colombia			5		5	
Total			5		5	
GRAND TOTAL	70,140	54,334	5,269	120	75,409	54,454

Table 12.- Sugar receipts of refiners and importers by source of supply[1/] January-May 1971 and 1970

Source of supply	Raw sugar		Direct consumption sugar		Total	
	1971	1970	1971	1970	1971	1970
	Short tons, raw value					
OFFSHORE						
Foreign						
Argentina	25,098	50,817			25,098	50,817
Bahamas	9,362	9,298			9,362	9,298
Belgium			10		10	
Brazil	286,706	207,101		120	286,706	207,221
British Honduras	9,748				9,748	
British West Indies	60,144	63,777		1	60,144	63,778
China, Republic of	23,950	45,317			23,950	45,317
Colombia	21,252	18,722		8	21,252	18,730
Costa Rica	43,046	31,189			43,046	31,189
Denmark			10	10	10	10
Dominican Republic	427,612	397,334			427,612	397,334
Ecuador	19,600	30,431			19,600	30,431
El Salvador	23,924	30,639			23,924	30,639
French West Indies	18,033	34,896			18,033	34,896
Germany, West				10		10
Guatemala	43,352	48,825			43,352	48,825
Haiti	8,894	12,237			8,894	12,237
Honduras	4,879	15,016			4,879	15,016
India	14,089		3	4	14,092	4
Ireland			5,363	5,351	5,363	5,351
Mexico	365,602	344,650	5		365,607	344,650
Netherlands			10	10	10	10
Nicaragua	52,664	38,286			52,664	38,286
Panama	14,091	19,560		655	14,091	20,215
Paraguay			10	10	10	10
Peru	128,927	130,255			128,927	130,255
Philippines	501,292	346,002	4,593	1,198	505,885	347,200
South Africa	16,630	70,701			16,630	70,701
Sweden			5	6	5	6
United Kingdom			5,264		5,264	
Venezuela	20,009	17,605			20,009	17,605
Total	2,138,904	1,962,658	15,273	7,383	2,154,177	1,970,041
Domestic						
Hawaii	312,132	397,617	3,155[2/]	2,752[2/]	315,287	400,369
Puerto Rico	39,711	92,994	37,200	49,580	76,911	142,574
Virgin Islands	0	0	0	0	0	0
Sub-total	351,843	490,611	40,355	52,332	392,198	542,943
Total all offshore	2,490,747	2,453,269	55,628	59,715	2,546,375	2,512,984
Mainland cane area	446,487	458,437	0[3/]	0[3/]	446,487	458,437
Acquired for reprocessing and samples	1,653	1,020	0	0	1,653	1,020
GRAND TOTAL	2,938,887	2,912,726	55,628	59,715	2,994,515	2,972,441

1/ Includes sugar as detailed in Table 11.

2/ Refined sugar received by refiners.

3/ Refined sugar produced direct from cane by processor - refiner.

Table 13- Status of 1971 quotas and charges as of June 30, 1971

Source of supply	Quotas and prorations	Charges to quotas 1/			Balances 3/
		Set-aside	By SU-3	Total 2/3/	
	Short tons, raw value				
Domestic beet sugar	3,358,667			1,383,000	1,975,667
Mainland cane sugar	1,221,333			670,000	551,333
Hawaii	1,110,000			500,551	609,449
Puerto Rico	355,000			107,522	247,478
Virgin Islands	0			0	0
Total	6,045,000			2,661,073	3,383,927
Republic of the Philippines	1,503,780			743,052	760,728
Argentina	69,998			47,924	22,074
Australia	202,525			31,406	171,119
Bahamas	10,000			10,000	
Bolivia	6,775			217	6,558
Brazil	569,015			383,959	185,056
British Honduras	14,462			10,483	3,979
British West Indies	198,519			89,355	109,164
China, Republic of	84,385			51,520	32,865
Colombia	60,213			29,698	30,515
Costa Rica	66,986			56,442	10,544
Dominican Republic	569,015			463,230	105,785
Ecuador	82,794			32,556	50,238
El Salvador	41,396			33,005	8,391
Fiji Islands	44,443			749	43,694
French West Indies	62,449			42,499	19,950
Guatemala	56,449			52,458	3,991
Haiti	31,612			13,223	18,389
Honduras	6,775			5,259	1,516
India	81,010			48,916	32,094
Ireland	5,351			5,351	
Malagasy Republic	9,563				9,563
Mauritius	18,565				18,565
Mexico	581,812			422,485	159,327
Nicaragua	66,986			59,195	7,791
Panama	42,150			23,569	18,581
Peru	453,859			157,259	296,600
South Africa	59,632			33,611	26,021
Swaziland	7,314			365	6,949
Thailand	18,565			847	17,718
Venezuela	28,602			22,504	6,098
Total	5,055,000			2,871,137	2,183,863
GRAND TOTAL	11,000,000			5,532,210	5,567,790

1/ Domestic beet and mainland cane sugar marketings partly estimated; all other sugar entered or authorized for entry.

2/ Direct-consumption charges and balances: Hawaii, 3,325 and 34,637; Panama, 24 and 3,793; Philippines, 6,690 and 53,230; Puerto Rico, 47,108 and 119,392; Ireland, 5,351 and 0.

3/ Includes raw sugar for direct consumption: Hawaii 0; Puerto Rico 0.

Table 14.- Quota-exempt and over quota sugar authorized for entry as of June 30, 1971 1/

Country	Reexport	Feed	Alcohol	For refining under bond	Total
	Short tons, raw value				
Republic of the Philippines				5,000	5,000
Bahamas				80	80
Brazil	5,251	3,506	11,641		20,398
British West Indies				2,374	2,374
Costa Rica	6,115				6,115
Dominican Republic	42,020	4,233	2,894		49,147
Ecuador				1,355	1,355
Guatemala				222	222
Haiti				796	796
Mexico				5,000	5,000
Nicaragua				123	123
Panama				207	207
United Kingdom		7,019			7,019
Total	53,386	14,758	14,535	15,157	97,836

1/In addition: (a) Under provisions of Sec. 212,186 tons were entered as liquid sugar in small containers; 73 tons as the first ten tons; (b) Raw sugar was brought in for refining and return to: Hawaii 0 tons; Puerto Rico 154 tons;(c) Tons of sugar in Customs Custody for subsequent entry: Hong Kong 40; Colombia 5.

Table 15. - Primary distribution of sugar, continental United States, by States, May 1971

State and region	Cane sugar refiners	Beet sugar processors	Importers of direct-consumption sugar	Mainland cane sugar mills	Total
	Hundredweights 1/				
New England					
Connecticut	118,101		1,239		119,340
Maine	36,094		560		36,654
Massachusetts	468,614		8,000		476,614
New Hampshire	33,602		1,209		34,811
Rhode Island	33,154		3,071		36,225
Vermont	14,901				14,901
Sub-total	704,466		14,079		718,545
Mid-Atlantic					
New Jersey	404,539		76,087	480	481,106
New York	1,294,071	25,527	50,608	2,000	1,372,206
Pennsylvania	1,079,571	12,633	40,689		1,132,893
Sub-total	2,778,181	38,160	167,384	2,480	2,986,205
North Central					
Illinois	751,128	1,270,934	1,350	1,008	2,024,420
Indiana	312,808	125,398	400		438,606
Iowa	68,027	145,591			213,618
Kansas	33,842	112,897			146,739
Michigan	337,390	382,989			720,379
Minnesota	41,079	191,561			232,640
Missouri	304,926	158,601		1,152	464,679
Nebraska	12,501	110,885			123,386
North Dakota	701	36,661			37,362
Ohio	807,409	223,198			1,030,607
South Dakota	1,777	26,269			28,046
Wisconsin	141,354	214,254			355,608
Sub-total	2,812,942	2,999,238	1,750	2,160	5,816,090
Southern					
Alabama	226,802			420	227,222
Arkansas	102,150	7,000			109,150
Delaware	125,737				125,737
District of Columbia	47,564				47,564
Florida	384,257			78,374	462,631
Georgia	572,924			2,892	575,816
Kentucky	194,871				194,871
Louisiana	357,587			74	357,661
Maryland	446,597	5	12,158		458,760
Mississippi	118,124			101	118,225
North Carolina	345,612		100	2,016	347,728
Oklahoma	95,221	30,078			125,299
South Carolina	167,618	1		1,008	168,627
Tennessee	370,333	-3,798			366,535
Texas	643,016	192,234		4,356	839,606
Virginia	254,865		10,422		265,287
West Virginia	61,182	2,800			63,982
Sub-total	4,514,460	228,320	22,680	89,241	4,854,701
Western					
Alaska	1,601	5,025			6,626
Arizona	24,631	48,366			72,997
California	459,085	1,041,832			1,500,917
Colorado	15,806	130,201			146,007
Idano	2,636	21,178			23,814
Montana	3,003	33,817			36,820
Nevada	3,200	4,565			7,765
New Mexico	5,872	15,462			21,334
Oregon	48,383	102,698			151,081
Utah	5,848	48,168			54,016
Washington	47,186	142,683			189,869
Wyoming	2,154	6,920			9,074
Sub-total	619,405	1,600,915			2,220,320
Grand total	11,429,454	4,866,633	205,893	93,881	16,595,861

1/ Reported as produced or imported and delivered except liquid sugar which is on a sugar solids content basis.

Table 16. - Primary distribution of sugar, continental United States, by States, January-May 1971

State and region	Cane sugar refiners	Beet sugar processors	Importers of direct-consumption sugar	Mainland cane sugar mills	Total
	Hundredweights 1/				
New England					
Connecticut	516,745		8,463		525,208
Maine	198,702		2,276		200,978
Massachusetts	2,159,977	5,600	20,788	2,316	2,188,681
New Hampshire	154,136		2,819		156,955
Rhode Island	174,570		6,227		180,797
Vermont	92,237				92,237
Sub-total	3,296,367	5,600	40,573	2,316	3,344,856
Mid-Atlantic					
New Jersey	3,656,863	1,000	193,080	9,236	3,860,179
New York	6,418,017	132,241	160,160	6,001	6,716,419
Pennsylvania	5,303,380	75,169	135,321	1,008	5,514,878
Sub-total	15,378,260	208,410	488,561	16,245	16,091,476
North Central					
Illinois	3,877,698	5,029,998	7,100	2,208	8,917,004
Indiana	1,611,628	462,881	1,200		2,075,709
Iowa	308,515	615,788			924,303
Kansas	180,279	484,121		400	664,800
Michigan	1,447,444	1,539,980			2,987,424
Minnesota	226,275	887,214			1,113,489
Missouri	1,424,058	686,013		1,152	2,111,223
Nebraska	81,596	574,752			656,348
North Dakota	8,438	154,741			163,179
Ohio	3,451,978	1,083,597	402		4,535,977
South Dakota	8,867	115,907			124,774
Wisconsin	663,419	889,039			1,552,458
Sub-total	13,290,195	12,524,031	8,702	3,760	25,826,688
Southern					
Alabama	1,003,873			7,975	1,011,848
Arkansas	495,326	34,000			529,326
Delaware	778,860				778,860
District of Columbia	189,030				189,030
Florida	1,882,946			446,835	2,329,781
Georgia	2,743,941		369	14,873	2,759,183
Kentucky	888,566				888,566
Louisiana	1,351,416		753	9,938	1,362,107
Maryland	2,120,841	10	47,126	14,112	2,182,089
Mississippi	567,223			1,564	568,787
North Carolina	1,597,300		2,777	3,024	1,603,101
Oklahoma	507,263	122,935			630,198
South Carolina	804,832	1		2,016	806,849
Tennessee	1,707,815	13	1,304	1,008	1,710,140
Texas	3,283,557	765,656		24,925	4,074,138
Virginia	1,237,431		45,278	6,000	1,288,709
West Virginia	304,975	13,199	1,730		319,904
Sub-total	21,465,195	935,814	99,337	532,270	23,032,616
Western					
Alaska	7,562	17,926			25,488
Arizona	141,912	189,120			331,032
California	2,803,135	4,172,668	28,000		7,003,803
Colorado	91,801	578,848			670,649
Idaho	13,217	96,033			109,250
Montana	12,203	109,873			122,076
Nevada	19,754	23,179			42,933
New Mexico	29,510	83,985			113,495
Oregon	230,335	399,000	6,000		635,335
Utah	41,170	233,764	10,800		285,734
Washington	257,779	571,762			829,541
Wyoming	13,852	32,224			46,076
Sub-total	3,662,230	6,508,382	44,800		10,215,412
Grand total	57,092,247	20,182,237	681,973	554,591	78,511,048

1/ Reported as produced or imported and delivered except liquid sugar which is on a sugar solids content basis.

Table 17 – Primary distribution of sugar, continental United States, by states, January-May 1971

State and Region	Cane sugar refiners		Beet processors		Total all Primary Distributors 1/	
	1971	1970	1971	1970	1971	1970
	Thousands of hundredweights 2/					
New England						
Connecticut	517	535		18	525	572
Maine	199	191		12	201	206
Massachusetts	2,160	2,125	6	96	2,189	2,242
New Hampshire	154	123		2	157	127
Rhode Island	175	151		20	181	182
Vermont	92	90	-	8	92	98
Sub-total	3,297	3,215	6	156	3,345	3,427
Mid-Atlantic						
New Jersey	3,657	3,843	1	11	3,860	4,107
New York	6,418	6,343	132	256	6,716	6,883
Pennsylvania	5,303	5,155	75	165	5,515	5,525
Sub-total	15,378	15,341	208	432	16,091	16,515
North Central						
Illinois	3,878	3,264	5,030	6,709	8,917	10,023
Indiana	1,612	1,776	463	569	2,076	2,346
Iowa	308	257	616	690	924	947
Kansas	180	222	484	419	665	643
Michigan	1,448	1,416	1,540	1,736	2,988	3,152
Minnesota	226	174	887	932	1,113	1,106
Missouri	1,424	1,330	686	761	2,111	2,095
Nebraska	82	77	575	650	657	727
North Dakota	8	5	155	132	163	137
Ohio	3,452	3,014	1,083	1,246	4,536	4,266
South Dakota	9	15	116	113	125	128
Wisconsin	663	645	889	928	1,552	1,573
Sub-total	13,290	12,195	12,524	14,885	25,827	27,143
Southern						
Alabama	1,004	1,016			1,012	1,026
Arkansas	495	469	34	66	529	535
Delaware	779	885			779	886
District of Columbia	189	174			189	174
Florida	1,883	1,844			2,330	2,144
Georgia	2,744	2,708			2,759	2,713
Kentucky	889	919			889	919
Louisiana	1,351	1,579			1,362	1,600
Maryland	2,121	2,039			2,182	2,158
Mississippi	567	573			569	573
North Carolina	1,597	1,578			1,603	1,585
Oklahoma	507	515	123	147	630	662
South Carolina	805	790			807	792
Tennessee	1,708	1,612			1,710	1,612
Texas	3,284	3,298	766	774	4,074	4,105
Virginia	1,237	1,212			1,289	1,233
West Virginia	305	320	13	10	320	334
Sub-total	21,465	21,531	936	997	23,033	23,051
Western						
Alaska	7	9	18	17	25	26
Arizona	142	147	189	201	331	348
California	2,803	3,320	4,173	4,440	7,004	7,761
Colorado	92	133	579	549	671	682
Idaho	13	16	96	103	109	119
Montana	12	21	110	104	122	125
Nevada	20	40	23	12	43	52
New Mexico	30	29	84	75	114	104
Oregon	230	239	399	459	635	702
Utah	41	47	234	285	286	332
Washington	258	283	571	664	829	966
Wyoming	14	8	32	24	46	32
Sub-total	3,662	4,292	6,508	6,933	10,215	11,249
Grand total	57,092	56,574	20,182	23,403	78,511	81,385

1/ Includes deliveries by importers of direct-consumption sugar and mainland cane sugar mills.
2/ Reported as produced or imported and delivered except liquid sugar which is on a sugar solids content basis.

Table 18.- Raw sugar receipts, within quotas for consumption in continental United States, 1970 1/

Area of origin	Month of arrival												Year total
	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	
	1,000 short tons, raw value												
	By area of origin												
Domestic													
Hawaii	25	51	66	123	137	55	26	129	84	193	136	112	1,138
Puerto Rico	7	35	27	8	16	29	47	8	20	20	14		230
Sub-total	33	86	92	131	153	83	73	137	104	213	150	112	1,368
Foreign													
Argentina	4	5	17	28					15			11	79
Australia	2								69	60	40	34	206
Bahamas		2	3	2	2								10
Bolivia												8	8
Brazil	96		68	26		85	62	50	103	55	86	5	638
British Honduras	1	7						5				4	16
British West Indies	2	5	22	21	17	5	9	17	32	23	34	28	217
China	4			45		23					14		86
Colombia	2		10		9	26		8	7	4		2	68
Costa Rica	4	6	5	10	10	9	1	16	6	6	2		75
Dominican Republic	63	28	122	81	106	81	32	47	24	41	44	9	678
Ecuador	1	9		21		2					31	26	91
El Salvador	2	15	4	12		6					7		46
Fiji Islands	2						12			15		16	45
French West Indies			25	5	5	14	17			3			68
Guatemala	3	18	20	5		8	2	3		4			63
Haiti				6	7		4		4			1	22
Honduras	5						2			1			8
India	4					14	27			14		24	82
Malagasy												10	10
Mauritius												18	18
Mexico	54	69	77	89	49	115	51	99	27	18	1	3	653
Nicaragua		2	10	6	21	2	17	7				11	75
Panama	1	4	4	2	7	5	1	5	2				33
Peru	22	32	33	14	30	11	7	32	65	51	73	86	456
Philippines			104	133	131	165	170	155	107	77	104	143	1,288
South Africa		5	49					7					61
Swaziland										7			7
Thailand									19				19
Venezuela		8		10		9		4			1		32
Sub-total	273	217	574	515	392	582	415	452	481	378	439	440	5,158
TOTAL	306	302	666	646	545	665	488	590	585	592	589	552	6,525
	By port of entry												
All areas													
Boston	20	15	55	40	44	39	43	56	40	28	56	49	485
New York	72	50	132	139	58	195	115	76	155	68	121	136	1,318
Philadelphia	70	43	117	80	97	84	65	84	74	133	128	48	1,023
Baltimore	12	38	80	80	22	48	117	14	78	38	83	52	664
Savannah						2		11	13	11	11		50
New Orleans	95	70	186	168	178	261	110	266	192	157	110	144	1,936
Galveston-Houston	12	36	29	40	36	35	37	70	16	53	26		391
San Francisco	25	51	66	97	111			13	17	104	54	122	659
Total	306	302	666	646	545	665	488	590	585	592	589	552	6,525
Domestic													
New York									27	13	25		66
Philadelphia	7		7							14			29
Baltimore			19				39		20	20	14		112
New Orleans		9		8	16	58	8	61	28	12	32	7	239
Galveston-Houston		26		26	26	26	26	63	12	51	25		281
San Francisco	25	51	66	97	111			13	17	104	54	105	642
Total	33	86	92	131	153	83	73	137	104	213	150	112	1,368

Table 18.- (Continued) Raw sugar receipts, within quotas for consumption in continental United States, 1970

Area of origin	Port of entry: Boston	New York	Phila-delphia	Balti-more	Savannah	New Orleans	Galveston	Houston	San Francisco	All ports
	1,000 short tons, raw value									
Domestic										
Hawaii		66	14			161	255		642	1,138
Puerto Rico			15	112		78	26			230
Sub-total		66	29	112		239	281		642	1,368
Foreign										
Argentina		23	37	4		15				79
Australia			120			87				206
Bahamas			2			7				10
Bolivia	8									8
Brazil	25	134	123	43	11	301				638
British West Indies	44	37	22	5	7	16	9			16
China			14	72						86
Colombia	6	14	10			31	7			68
Costa Rica	27	25				22				75
Dominican Republic	210	112	142	96	4	90	23			678
Ecuador	15	39	5			32				91
El Salvador	15	5				19	7			46
Fiji Islands		30				15				45
French West Indies	11	14				43				68
Guatemala		2	17			45				63
Haiti		4			2	16				22
Honduras			5			3				8
India	31	51								82
Malagasy		10								10
Mauritius	7		11							18
Mexico	11	49	41	36		453	63			653
Nicaragua	19	23	2			31				75
Panama					2	30				33
Peru	12	85	92	79	11	177				456
Philippines	33	560	337	178	11	151			17	1,288
South Africa		18	14	24		5				61
Swaziland				7						7
Thailand	10			9						19
Venezuela		17				15				32
Sub-total	485	1,253	994	552	50	1,698	109		17	5,158
Total	485	1,318	1,023	664	50	1,936	391		659	6,525

Table 19- Direct-consumption sugar receipts within quotas for consumption in continental United States, 1970

Area of origin or months	Boston	New York	Phila-delphia	Balti-more	Virginia	South Carolina	California	Washington Oregon	All ports
	Short tons, raw value								
	By area of origin								
Hawaii							1,285	6,649	7,934
Ireland		2,005	1,870	1,475					5,350
Panama		3,348		469					3,817
Philippines			278	838			5,799	3,442	10,357
Puerto Rico	2,638	88,450		26,623	3,727	687	133		122,258
Total	2,638	93,803	2,148	29,405	3,727	687	7,217	10,091	149,716
	By month of arrival								
January		6,231	935	1,501	300				8,967
February		7,391	935	2,740	108			900	12,074
March		4,498		2,104	129	128	74	268	7,201
April		9,154		2,416	428	40	24	1,760	13,822
May		12,819		3,521	171	115	193	1,023	17,842
June		12,350		3,711	279	107	143	1,338	17,928
July	150	10,514		2,802	260		1,877	2,555	18,158
August	771	7,085		2,988	345	43	1,892	923	14,047
September	794	8,080		2,720	756	78		1,275	13,703
October	558	6,478		1,917	736	64	2,391	49	12,193
November	279	6,616		2,190	215	64	24		9,388
December	86	2,587	278	795		48	599		4,393
Total	2,638	93,803	2,148	29,405	3,727	687	7,217	10,091	149,716

UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Stabilization and Conservation Service
Washington D.C. 20250

POSTAGE AND FEES PAID
U.S. DEPARTMENT OF
AGRICULTURE

OFFICIAL BUSINESS